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PART II—Section 3

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No. 413 NEW DELHI, MONDAY, DECEMBER 31, 1956

MINISTRY OF TRANSPORT

(Transport Wing)

NOTIFICATION

New Delhi, the 31st December 1956

S.R.O. 3189.—In exercise of the powers conferred by sub-section (2) of section 47A of the Road Transport Corporations Act, 1950 (64 of 1950), the Central Government, after consultation with the State Governments of Bombay, Mysore and Rajasthan, approves the Scheme forwarded by the Government of Bombay relating to the reorganisation of the Bombay State Road Transport Corporation, and for the purpose of giving effect to the said Scheme, hereby makes the following Order, namely:—

1. **Short title and commencement.**—(1) This Order may be called the Bombay State Road Transport Corporation Order, 1956.

(2) It shall come into force on the 1st day of January, 1957.

2. **Definitions.**—In this Order, unless the context otherwise requires,—

- (a) "Abu area" means the Abu Road taluka of Banaskantha district transferred from the former State of Bombay to the new State of Rajasthan;
- (b) "Act" means the Road Transport Corporations Act, 1950 (64 of 1950);
- (c) "appointed day" means the 1st day of January, 1957;
- (d) "Corporation" means the Bombay State Road Transport Corporation established under the Act;
- (e) "Karnatak area" means the districts of Bijapur, Dharwar and Kanara and Belgaum district except Chandgad taluka transferred from the former State of Bombay to the new State of Mysore.

3. **Exclusion of certain areas from the area of operation of the Corporation.**—As from the appointed day the Corporation shall cease to function and operate in the Karnatak area and Abu area.

4. **Transfer of certain permits and licences.**—Any permit or licence granted to the Corporation which, immediately before the appointed day, was valid and effective, shall—

- (a) if the permit or licence relates exclusively to the Karnatak area, be deemed to have been granted to the Government of Mysore;
- (b) if the permit or licence relates exclusively to the Abu area, be deemed to have been granted to the Government of Rajasthan; and
- (c) in any other case, continue to be the permit or licence of the Corporation:

Provided that such of the inter-State permits or licenses common to Bombay and Karnatak area or Bombay and Abu area shall be transferred to the Government of Mysore or the Government of Rajasthan as may be agreed upon between the State Governments concerned, or in default of such agreement, as the Central Government may direct, and on such transfer to any State Government, the permit or licence shall be deemed to have been granted to that Government.

5. Transfer of assets of the Corporation.—(1) Subject to the other provisions of this Order, all land and all motor vehicles, machinery, stores, articles and other goods belonging to the Corporation shall, as from the appointed day,—

(a) if situated within the Karnatak area, pass to the Government of Mysore; and

(b) if situated within the Abu area, pass to the Government of Rajasthan.

Explanation.—In this sub-paragraph, the expression “land” includes immovable property of every kind and any rights in or over such property.

(2) As from the appointed day, the unspent capital of the Corporation shall be allocated, firstly, for completing the works actually in progress before the 1st November, 1956 and secondly, for completing sanctioned schemes in respect of which contracts have been entered into before the 1st November, 1956, and the remaining capital, if any, shall be divided among the Corporation and the Governments of Mysore and Rajasthan in such proportion as the Central Government may determine.

(3) The Third Party Insurance Fund of the Corporation shall be divided among the Corporation and the Governments of Mysore and Rajasthan in the same proportion in which the vehicles of the Corporation are divided among them.

(4) The Property Insurance Fund of the Corporation shall be divided among the Corporation and the Governments of Mysore and Rajasthan in such proportion as the capital value of the property vesting in each of them by virtue of this Order bears to the total capital value of the property insured.

(5) The amount in the Depreciation Fund of the Corporation in respect of any asset shall be transferred to the Government of the State to which that asset is transferred by virtue of this Order.

(6) The amount of the Contributory Provident Fund standing to the credit of an employee of the Corporation shall be transferred to the Government of the State to which such employee is allotted by virtue of this Order.

(7) The Reserve Fund of the Corporation shall be divided among the Corporation and the Governments of Mysore and Rajasthan in such proportion as the capital value of the assets vesting in each of them by virtue of this Order bears to the total capital value of the assets divided among them.

(8) The cash balances held by the Corporation in any bank, treasury or sub-treasury immediately before the appointed day shall—

(a) if such bank, treasury or sub-treasury is situated in Karnatak area, pass to the Government of Mysore;

(b) if such bank, treasury or sub-treasury is situated in Abu area, pass to the Government of Rajasthan; and

(c) in any other case, continue to vest in the Corporation;

Provided that the initial allocation of cash balances made by this sub-paragraph shall be subject to such financial adjustment as may be made under paragraph 9.

(9) The Sinking Fund of the Corporation shall continue to be an asset of the Corporation.

6. Contracts.—Where, before the appointed day, the Corporation has made any contract, that contract shall be deemed to have been made—

(a) if the purposes of the contract are, as from the appointed day, exclusively related to

(b) if the purposes of the contract are, as from that day, exclusively relatable to the Abu area, by the Government of Rajasthan;

(c) in any other case, by the Corporation; and

all rights and liabilities which have accrued, or may accrue, under any such contract shall, to the extent to which they would have been rights or liabilities of the Corporation, be rights or liabilities of the Government of Mysore or the Government of Rajasthan or the Corporation, as the case may be

7. Transfer of liabilities of the Corporation.—(1) The debenture loans of 1952 and 1954 floated by the Corporation shall continue to be the liability of the Corporation.

(2) Each of the Governments of Mysore and Rajasthan shall be liable to pay to the Corporation such amount as its share of liability in respect of the debenture loans as the Central Government may determine.

(3) The liability of the Corporation in respect of the Canadian aid received by it under the Colombo Plan shall be apportioned among the Governments of Mysore and Rajasthan and the Corporation in the same proportion in which the capital investment has, before the appointed day, been made out of the said aid in the Karnatak area, Abu area and the rest of the area of operation of the Corporation.

Explanation.—For the purpose of this sub-paragraph, "Canadian aid" means the aid in the form of vehicles, machinery, stores and other assets received by the Corporation as part of the agreement between the Governments of Canada and India, and includes the expenditure incurred by the Corporation on freight, insurance, customs duty and other charges on such assets and the cost of building bodies of the vehicles so received.

(4) The State Governments of Mysore and Rajasthan shall be liable to the Central Government in respect of such amount of capital out of the amount provided by it to the Corporation as the Central Government may determine.

(5) The liability of the Corporation in respect of the capital provided by the Central Government shall be reduced by the amount for which the Governments of Mysore and Rajasthan become so liable; and the liability of the Corporation to the State Government of Bombay shall be reduced by such amount as the State Government of Bombay may determine.

8. Residuary provision.—The benefit or burden of any assets or liabilities of the Corporation not dealt with in the foregoing provisions shall—

(a) if the assets are situate, or the liability arises, in the Karnatak area, pass to the Government of Mysore;

(b) if the assets are situate, or the liability arises, in the Abu area, pass to the Government of Rajasthan; and

(c) in any other case, continue to be the benefit or burden of the Corporation;

Provided that the initial allocation of the benefit or burden under this paragraph shall be subject to such financial adjustment as may be agreed upon between the parties concerned, or in default of such agreement, as the Central Government may direct.

9. Financial adjustments by the Central Government.—When all the assets and liabilities of the Corporation have been appointed in accordance with the foregoing provisions of this Order among the Corporation and the Governments of Mysore and Rajasthan and the Central Government is of opinion that it is necessary to make any financial adjustment in order to ensure that the net surplus of assets over liabilities vesting in each of them bears the same proportion as its share of capital assets bears to the total capital assets divided among them, the Central Government may direct such financial adjustment by transferring cash balances, securities and other investments from one of the parties to any other party or parties as it may deem just and equitable.

10. Provision relating to employees of the Corporation.—(1) Every employee of the Corporation who, immediately before the appointed day, is working in the
all as from the appointed day, be deemed to have

(2) Nothing in this section shall be deemed to affect the right of the Government of Mysore or the Government of Rajasthan to determine, after the appointed day, the conditions of service of persons allotted to it under sub-section (1):

Provided that the conditions of service applicable immediately before the appointed day to the case of any such person shall not be varied to his disadvantage except with the previous approval of the Central Government.

11. **Legal proceedings.**—Where immediately before the appointed day, the Corporation is a party to any legal proceedings with respect to any property, rights or liabilities transferred to the State of Mysore or Rajasthan under this Order, that State shall be deemed to be substituted for the Corporation as a party to those proceedings, or added as a party thereto, as the case may be, and the proceedings may continue accordingly.

12. **Power of the Central Government to order allocation or adjustment in certain cases.**—Where by virtue of any of the provisions of this Order, any of the parties, namely, the Corporation or the State of Mysore or Rajasthan becomes entitled to any property or obtains any benefits or becomes subject to any liability, and the Central Government, on a reference made within a period of three years from the appointed day, by any of the States of Bombay, Mysore or Rajasthan is of opinion that it is just and equitable that that property or those benefits should be transferred to, or shared with, one or more of the other parties, or that a contribution towards that liability should be made by one or more of the other parties, the said property or benefits shall be allocated in such manner, or the other party or parties shall make to the party primarily subject to the liability such contribution in respect thereof, as the Central Government may, after consultation with the State Governments concerned, determine.

[No. 2-T(30)/56.]

D. D. SURI, Dy. Secy,